

AMENDED IN SENATE JULY 2, 2003
AMENDED IN ASSEMBLY JUNE 2, 2003
AMENDED IN ASSEMBLY MAY 13, 2003
AMENDED IN ASSEMBLY APRIL 29, 2003
AMENDED IN ASSEMBLY APRIL 10, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1616

Introduced by Assembly Member Montanez

February 21, 2003

An act to add Division 10 (commencing with Section 7920) to Title 1 of the Government Code, relating to intellectual property.

LEGISLATIVE COUNSEL'S DIGEST

AB 1616, as amended, Montanez. Intellectual property rights.

Existing law provides generally for the registration and protection of trademarks, and prescribes requirements relating to protection of intellectual property applicable to specific state agency activities.

This bill would enact the California Intellectual Property Rights Act, which would generally provide that state-owned intellectual property, except as specified, is dedicated to the public domain. The bill would prescribe requirements applicable to state contracts and would prescribe the rights to and disposition of income derived from the licensing of inventions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Division 10 (commencing with Section 7920) is added to Title 1 of the Government Code, to read:

DIVISION 10. CALIFORNIA INTELLECTUAL
PROPERTY RIGHTS ACT

7920. This division shall be known and may be cited as the California Intellectual Property Rights Act. Except as otherwise provided in this division and notwithstanding any other provision of state law to the contrary, this division shall govern the ownership, protection, exploitation, and public dedication of all state-owned intellectual property rights.

7921. As used in this division, the following words and phrases shall have the following meaning:

(a) "Copyrights" means those rights that are protected by United States copyright law (17 U.S.C. Sec. 101, et seq.).

(b) "Patentable inventions" are inventions that fall within the scope of patentable subject matter under the laws of the United States but that are not yet the subject of an issued patent.

(c) "Patented inventions" means those rights reflected in subsisting patents issued by any government, including the United States.

(d) "Practical application" is as defined in Section 201(f) of Title 35 of the United States Code.

(e) "State-owned intellectual ~~property~~" *property rights* means any and all intellectual property that is owned ~~in whole or in part~~ by the state, including all trademarks and service marks, collective marks and certification marks, all copyrights, all trade secrets, all patentable inventions, and all patented inventions.

(f) "Trade secrets" means information, including a formula, pattern, compilation, program, device, method, technique, or process, that: (1) derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(g) "Trademarks," "service marks," "collective marks," and "certification marks" mean those rights as defined by Section

1 1127 of Title 15 of the United States Code or Chapter 2
2 (commencing with Section 14200) of Division 6 of the Business
3 and Professions Code.

4 7922. It is the general policy of this state to encourage
5 innovation in the sciences, creativity in the arts, and free and open
6 government. In recognition of this policy, and except as set forth
7 in this division or as required by federal law, no agency of this state
8 shall have the right to protect, assert, or exploit state-owned trade
9 secrets, patentable inventions or patented inventions, and all
10 ~~copyrights in works made for hire by state employees or~~
11 ~~contractors~~ *copyrights* are hereby dedicated to the public domain.
12 All agencies of the state are authorized to adopt trademarks,
13 service marks, collective marks, and certification marks
14 (hereinafter referred to collectively as “trademarks”) and, at their
15 discretion, may register and protect those trademarks so long as
16 they abide by applicable law.

17 7923. The following entities of the state are exempt from this
18 division and may independently develop, implement, and enforce
19 their own policies for intellectual property, including intellectual
20 property arising under agreement with the state, directly or
21 indirectly, or that is jointly owned with the state:

- 22 (a) The University of California.
- 23 (b) The California State University.
- 24 (c) The California Community Colleges.

25 7924. Notwithstanding the general policy of this state as
26 reflected in Section 7922, intellectual property rights in the
27 following are not dedicated to the public domain ~~unless made~~
28 ~~subject to a specific statute to that effect, and the state may assert,~~
29 *exploit, and protect its intellectual property rights in those items*
30 *unless those items are subject to a specific statute or contract*
31 *authorizing their dedication to the public:*

- 32 (a) Copyrights and patent rights that were assigned to the state
33 by gift, bequest, or purchase.
- 34 (b) State-owned copyrights, trade secrets, patentable
35 inventions, and patented inventions in computer software and
36 computer programs and associated documentation and materials.
- 37 (c) State-owned copyrights in works of art that were
38 commissioned through an “art-in-public-places” project.
- 39 (d) State-owned copyrights and trade secrets in tests and
40 answers to tests that were created by or for the state, *and*

1 *associated documents and materials, including all items described*
2 *in subdivision (g) of Section 6254.*

3 (e) State-owned trade secrets as permitted under the California
4 Public Records Act (Chapter 3.5 (commencing with Section 6250)
5 of Division 7).

6 (f) *State-owned copyrights and trade secrets in instructional*
7 *materials, as defined by Section 60011 of the Education Code and*
8 *education materials, as defined by Section 60017 of the Education*
9 *Code.*

10 (g) *A joint work of authorship, as defined by United States*
11 *copyright law (17 U.S.C. Sec. 101), where the state is one of the*
12 *joint authors, except where the joint authors of a work agree that*
13 *it shall be dedicated to the public domain.*

14 (h) *A trade secret, patentable invention, or patented invention*
15 *where the state is a coowner of those intellectual property rights,*
16 *except where the coauthors agree that the trade secret or invention*
17 *shall be publicly disclosed and not protected.*

18 7925. Notwithstanding the general policy of this state as
19 reflected in Section 7922, all agreements whereby this state
20 contracts for goods or services and that are likely to result in the
21 development of trade secrets and patentable inventions or the
22 creation of works of authorship shall contain a provision that
23 specifically deals with the ownership and use of those intellectual
24 property rights. The precise terms of the required contractual
25 provision shall be a point of negotiation between contracting
26 parties that shall consider, but not be limited to, the purpose of the
27 contract, applicable law, and the needs of the contracting parties.

28 7926. All entities of the state ~~that are not exempted from this~~
29 ~~division and~~ that are authorized under this division to protect,
30 assert, and exploit trademarks, works of authorship, trade secrets,
31 patentable inventions, or patented inventions shall comply with
32 any and all applicable federal law. To the extent that those entities
33 elect to pursue patent protection for their inventions, they shall
34 take steps, including the possible licensing of their inventions, to
35 achieve the practical application of those inventions as soon as
36 possible. All income derived from the licensing of those
37 state-owned inventions or works of authorship (after paying
38 ~~applicable royalties to inventors and patent prosecution and~~
39 ~~maintenance costs~~) ~~shall be credited to~~ *compensation to inventors*
40 *and authors and deduction of the direct costs of obtaining and*

maintaining that protection) shall be credited to the state entity deriving that income.

7927. Any and all rights in any and all inventions conceived of, developed, or reduced to practice by employees of this state are owned by this state and shall be formally assigned to the state when requested. This section does not apply to an invention that the a state employee developed entirely on his or her own time without using any of the state's state equipment, supplies, facilities, or trade secret information except for those inventions that either (1) relate at the time of conception or reduction to practice of the invention to the employee's work for the state, or (2) result from any work performed by the employee for the state.

7928. All litigation to enforce the intellectual property rights of the state shall be handled by the Attorney General, consistent with existing law.

7929. Nothing in the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7) shall preclude the state or any of its agencies from obtaining and enforcing, in accordance with this division (1) trademark or copyright protection for any public record, except that this authorization shall not restrict public access to or fair use of copyrighted materials and shall not apply to writings which are merely lists or other compilations; or (2) patent or trade secret protection in accordance with this division, and the state and its agencies may deny public access to information concerning state-owned trade secrets and patentable inventions for the period of time, not to exceed six months, necessary for the state to consider and apply for any applicable patents. the state from obtaining, exploiting, and enforcing, trademark, copyright, patent, or trade secret rights in accordance with this division.

7930. Nothing in this division is intended to modify the public's rights with respect to public records as provided for under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7).